

LNF & IHCIF Calculations Illustration

- PAWNEE in Oklahoma area -

Given Data

- 14,732 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 44% = % Expenditures on purchased services, 56% = % expenditures in-house
- 88.2% = Cost index for purchasing health care in this geographic area
- 97.1% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,162 per person for purchased services = $44\% * 88.2\% * \$2,980$
- \$1,615 per person for in-house services = $56\% * 97.1\% * \$2,980$
- \$2,777 per person total = \$1,162 (purchase) + \$1,615 (in-house)
- **\$2,692 per person total** adjusted for health status = $\$2,777 * 96.9\%$
- **\$1,947 per person net cost** = $\$2,692 - \745 Other resources (M&M&PI)

Existing Expenditures (for 14,732 users excluding wrap-around and collections)

- \$885 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,016 per person for OU users** = $\$885 + \$77 + \$54$

LNF Calculation

- **37.8% Gross LNF** = $\$1,016$ (expenditures) / $\$2,692$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **52.2% Net LNF** = $\$1,016 / \$1,947$ net cost ($\$2,692 - \745 other)

IHCIF Allocation

- \$2,237,588 = \$ to raise LNF% from 52.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$78,047 Allocation** = $\$2,237,588$ needed for 60% * 3.488% IHCIF fraction

PAWNEE Unmet Needs

- **\$28,679,553 Net Total Need** = 14,732 users * \$1,947 net cost
- **\$13,709,409 Net Unmet Need** = $(100\% - 52.2\% \text{ LNF}) * 14,732 \text{ users} * \$1,947 \text{ net cost}$